

22 OCT 1982

REMARKS AGENDA FOR PRESENTATION OF THE SP TO EXCOM

1. I won't presume to tell you what I know you have thoroughly read and digested. So I would like to just make a few remarks on where I think we are and how we got here.

2. First, how we got here. This plan is the direct product of the Information Handling Task Force which recommended the creation of the IHSA for the purpose of coordinating and integrating the IHS activities of the Agency. A principal step towards achievement of that objective was to be a Strategic Plan to be developed by the IHSA. We structured the Plan as a three phase activity. We reported to the EXCOM on the first phase of defining the goals in February. We are back now to report on the Strategic Implementation Plan which is the Phase Two product. The third phase is the consolidation and reconciliation of the plan.

3. During the development of this plan, and up to a few months ago, we had a Steering Committee comprised of the ADD's and the Comptroller. They directed that the plan should say What was going to be done, When it was going to be done - i.e. milestones, Who was responsible for doing each piece of it, and How much it was going to cost. It should not be a plan for a plan. I believe that the plan that you have is responsive to that guidance.

4. A basic precept in development of the plan was also that it would be an Agency plan, not an IHSA plan. As a consequence, it is the joint development of Agency components and the IHSA. As you might expect from such a process, there is not total agreement on all aspects; some units want a particular feature, while others may be dubious, e.g., the

separate S&T facility. Also, we did not presume to evaluate programs to which the Agency is already committed, either in terms of priority or budget. (Committed programs represent more than 85 percent of the total program budget.)

5. Basically, the current status of the Agency IHS DA&I efforts and what the SP addresses, is the development of the next generation of IHSs. The goal is to coordinate these efforts during the development process so that we achieve a homogeneous environment. The history is, that it is usually too expensive to integrate after the fact. Thus we do it now, or wait till next generation, probably seven to ten years from now.

6. We have highlighted the near term activities in the summary because of their great importance in achieving the objectives of the plan. They are the leading edge activities, that in terms of the total intended activities, have minimal resource requirements. But we do not currently have the resources to do them. They are on the critical path, however; we sustain at least a year-for-year slip in our integration objectives should we slip their initiation. Principally, these are the integration activities and the activities required to keep the whole program "in sync".

7. The Plan basically calls for an Agency commitment to this program. A principal element is a commitment to office automation on a schedule that is globally planned. As you know, we do it now strictly on a local basis. And we justify our acquisitions lot-by-lot. The administrative overhead is terrific, and the resulting implementation is not coordinated. We believe that we ought to do it one time, in terms of a management commitment and then get on with it. Towards that end, we have planned an Agency-wide working group to address this matter,

followed by an EXCOM review of the resulting, detailed plan.

8. What the plan is is a snapshot. The one you have in front of you is already out of date. Sitting in the OMB hearings, I learned of programs/projects which should be in the plan and are not. I also saw some different numbers than we had received earlier for several projects. And in the process of trying to stay up to date with changing numbers, we ended up with some budgetary inconsistencies in the Summary of the Plan. So it is a dynamic process. Also, as time progresses, and we learn about the various efforts, these detailed plans will change. The important thing is the overall plan. Strategic Planning is a continuing process in areas where we are not sure how we should proceed.

9. I would like to say something on the subject of pace, triggered, I suppose, by some comments made by Keith Hall in the OMB presentations, and the thought that, if he thinks this way, maybe others do too. He focused on our 10,000 terminals by the end of 1989, and said that he thought we were too far out in front of everybody else. He also said, he now regretted having eschewed controlling IHS investments on the basis of terminals, and thought maybe his OMB predecessor had the right idea.

What concerns me is that we are not out in front. We are just now moving into word processing in an Agency-wide program. Most private sector firms have already gone this route and have supplied standalone WP's to all their clericals. Many have already started on the second generation of systems - the office networks. Our first Agency-wide program is for the second generation type WP environment, but we won't complete it until about 1986. This is long after most of the firms with which we deal will have WP to everybody, albeit a lot will still be first

generation.

With respect to providing terminals to professionals, my perception that our goal of doing this by the end of the decade is in synch~~X~~ with the goals of the average U.S. firm. If we slip our goal of terminals by the end of 1989, we will be putting ourselves in the tail of that distribution of when firms automate, maybe the 25 percent. If we do that, we will be compromising on a lot more than our automation plan. I believe we will also be compromising on our commitment to provide an improved intel product, chiefly through the compromises in productivity and quality on which achieving our automation goals so heavily depend.

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In fact, user demand in the Agency is for a more rapid pace of automation. Our terminal orders in 1982 were 28 percent over what was indicated in the Strategic Plan. I don't know of one factor which is going to reduce that demand. I think we will have a major problem holding the pace of automation down to that projected in the plan. Thus if we cut back on the plan, basically what we will be giving up is the coordination and integration of the Agency's IHS activities. The individual directorates will proceed independently with automation about as outlined in the plan because they have to meet their commitments.

10. What we are asking for is approval of the plan and commitment of the Agency to it and its principal features. If you so act, our next steps are to proceed to finalize the plan, adjusting it per your guidance, and including some elements that have been omitted; and to work the problem of how we implement it.